

NWX-DEPT OF COMM-ITA (US)

Moderator: Niara Phillips
June 17, 2015
10:00 am CT

Coordinator: Excuse me. This is the conference coordinator. And I just want to remind parties that this call is being recorded. If you have any objections, you may disconnect at this time. If you need to mute your phone, you can either press the mute button on your phone or press star 6 and star 6 to unmute. Thank you, and you may begin.

Niara Phillips: Great. Thank you. Good morning, everyone. This is Niara Phillips from the Department of Commerce. I'm going to start with a roll call, and then I'll turn the call over to Sam Gilliland. First let's just go through, get a sense of who's on the line. I'll start from the top. Good morning, everyone. Barney Harford, are you on the line?

Timothy Enstice: This is Tim Enstice at Orbitz. I am on the line, and I expect Barney will join shortly.

Niara Phillips: Thank you, Tim.

Timothy Enstice: Sure.

Niara Phillips: Mike Gallagher?

Mike Gallagher: I'm here. Thank you.

Niara Phillips: Thank you. Carol Wallace? Holly Agra?

Holly Agra: Here. Thank you.

Niara Phillips: Brad Dean?

Brad Dean: Yes, I'm on the call.

Niara Phillips: Brian Mullis? Dave Berg?

Dave Berg: Here.

Niara Phillips: Dean Runyan? Don Freeman?

Don Freeman: I am on the phone.

Niara Phillips: Elliot Ferguson?

Elliot Ferguson: I'm here.

Niara Phillips: Fred Dixson? Henry Cruz?

Henry Cruz: Here.

Niara Phillips: James Hagen?

James Hagen: Good morning. I'm here.

Niara Phillips: Jeremy Jacobs, Jr.? John Sprouls?

John Sprouls: I'm here.

Niara Phillips: Jonathan Zuk?

Coordinator: Good morning. I'm connecting...

((Crosstalk))

Jonathan Zuk: Good morning. I'm here.

Niara Phillips: (Fred Toffel)? Margaret McKeough?

Debbie Lipman: Margaret's not going to be able to join us. This is Debbie Lipman.

Niara Phillips: Thanks, Debbie. Maryann Ferenc?

Maryann Ferenc: Here. Good morning.

Niara Phillips: Good morning. Olga Ramudo?

Olga Ramudo: Here. Good morning.

Niara Phillips: Good morning. Bob Lynch?

Eric Roman: Eric Roman for Bob Lynch.

Niara Phillips: Okay. Thanks, Eric.

Bruce Charendoff: Hey, it's Bruce Charendoff with Sabre.

Niara Phillips: Thanks, Bruce. Rossi Ralenkotter?

Man: Good morning...

Rossi Ralenkotter: Here. Good morning.

Niara Phillips: Morning. Sherry Rupert? Todd Davidson? Trudy Rautio?

Trudy Rautio: I'm here. Thanks.

Niara Phillips: Thank you. Mike McCormick? Sam?

Sam Gilliland: Yes. Here.

Niara Phillips: Okay. Kathleen?

Kathleen Matthews: I'm here. Good morning, everyone.

Niara Phillips: Morning. Okay and just one last call. Barney Harford, are you on the line?

Barney Harford: Yes, I am.

Niara Phillips: Okay. Great. Carole Wallace? (Shay O'Brien)?

(Shay O'Brien): Here.

Niara Phillips: All right. Brian Mullis?

Brian Mullis: Here.

Niara Phillips: Fred Dixson?

Fred Dixson: Hi, good morning. I'm here.

Niara Phillips: Jeremy Jacobs?

Daniella Landau: Daniella Landau for Jeremy Jacobs.

Niara Phillips: Thank you, Daniella.

Dean Runyan: This is Dean Runyan joining you.

Niara Phillips: Morning, Dean. Kirk Hoessle? No Kirk. Okay. Sherry Rupert? Todd Davidson?

Todd Davidson: Good morning. I'm here.

Niara Phillips: Good morning. Mike McCormick? Okay. Thank you, everyone. I'll turn the call over to Sam.

Sam Gilliland: All right. Thanks, Niara. And thanks, everybody, for joining the call. I really do appreciate your taking time out of, I know, your very busy schedules to deliberate on this letter. And I should also extend huge appreciation to the technical working group for the work that has led to the recommendations that they'll cover off today and that we'll deliberate on.

They did this work in a very compressed timeline, and we really appreciate the work, both those companies that were involved but also the government teams and individuals that also participated as well. And as you know, the companies involved were Universal Parks and Resorts, Marriott International, Enterprise Holdings.

We also received some good feedback from several airlines, American Airlines, Delta Airlines, and of course, CBP and a number of others within government that helped with this work. But again, my huge appreciation to the team and to John Sprouls and the leadership of that team over this last, again, very compressed period of time.

And with that, I'd like to turn it over to John and let he and his team go through the presentation of their findings and also the draft letter. So John, I'll hand it to you.

John Sprouls: Thank you, Sam, and I would echo what Sam has said in terms of thanking all the folks that were involved in this process. It was a very compressed timeframe, and I think recognizing that and looking at not only the amount of work but the quality of the work that was done in that short a period of time, one, should be applauded, and two, should give us comfort that we took a really good, hard look at this.

And we think we've come up with a recommendation that makes sense and also should help us go forward with some pretty strong abilities to be able to measure our customer satisfaction in this particular case, going forward and identifying how we continue to improve it over time to try to achieve the national goal.

With that, I think what we're going to try to do today - Katie Ozdemir, who is in charge of our research group here at the Universal Parks and Resorts and who is far smarter than I am, is going to take us through the deck very, very quickly. I know everyone has had an opportunity to download it and look at it.

So she's going to go quickly through it. We're not going to take questions during the deck presentation so we can get through that and get to the deliberations on the letter. And, you know, comments and everything, if you could just hold them till then that would be very helpful in terms of us being able to manage time here. So unless anybody has anything up front, I'd like to hand it over to Katie.

Katie Ozdemir: And, Niara, we cannot control the screen from here, so can you advance it for me when I ask?

Niara Phillips: Absolutely.

Katie Ozdemir: Okay. So we've got a pretty hefty deck here, and we've only got a half an hour. So this deck is actually a documentation of the journey that took us through the establishment of the working - the national goal up through the recommendations that we're going to share today. So, if you don't mind advancing to the next page?

There are four pages of setup. I'm not going to go through the first four in much depth, because you already know and most of you are already very familiar with this. But I'll go into the SIAT, because it's very important for you to understand how comprehensive and local.

So I don't have to tell all the people on this call how important tourism is to the national economy here. And, you know, as tourism grows, we're going to

have more and more international arrivals. Clearly, the charter of CBP is maintaining the highest standards of national security.

But we also want to provide a best-in-class international arrival's experience, so that our, you know, folks keep considering the United States on the considerations set. So advance to the next slide, please. Slide 3.

So once the national goal was established, then the next step was establishing the task force, so that we could move towards the goal. So the task force was responsible for developing an approach to achieve the national goal for international arrivals.

And you see the members of the task force. We've got folks from the Department of Commerce and folks from DHS. After establishing the task force, then the next step was to create a technical working group. And so DHS and the Department of Commerce know that they're not - while they're experts in a lot of things, they're not experts in the guest services.

So they engaged the private sector and engaged three companies, so Universal Parks and Resorts, Marriott International, and EHI, who are best-in-class, known worldwide for the customer experience.

And so the next step after that was, okay, that task group, that technical working group, defined, okay, what are the deliverables that we need so that we can go back to our leadership and our partners - oh, I'm sorry. Advance to the next slide, please, and then one more after that. Okay, so they came up with a plan and defined the deliverables that they would need to then go back and advance the plan towards the national goal.

And so the three main things were to determine key drivers of the traveler's perception of the international arrival's experience and maintain their decision to elect to travel to the United States - so keep us in a consideration state - the development of revised surveys to measure progress against the national goal, and then a methodology for continued assessment.

So that's what they were looking for. And that's when they engaged our - the Consumer Insights Team from the private sector to come up with a project plan so that they could then reach - that we could then deliver on those deliverables.

So this is the page I want to spend just a little bit of time. And it's really important for you to understand how comprehensive - can you advance the slide, please? - that we went down two paths. So we went down the discovery path, and we went down the research path.

And the discovery phase was really important for us because we're not in that business and we needed to immerse ourselves in this business. So we had several conference calls with the DHS Loaned Executives, American Airlines, Delta. We talked to 13 different airport authorities. We did site visits at two international gateways. And then the first step was to create an inventory and summarize the data sources available.

So we found six major bodies of research that were available that we analyzed, summarized, inventoried, and looked at all the questions in those bodies of research that had anything to do with the international arrivals process.

And then the research phase, the first step we took is interviewed a high volume global traveler. So he was one of the first global entry travelers. We

mapped the international entry processes at 17 major U.S. airports - gateways - international gateways. We conducted inductive analysis to determine the drivers and then primary research to determine expectations. Could you advance the slide, please?

Sam Gilliland: And if we could have everybody mute their phones that aren't speaking. Thank you.

Katie Ozdemir: Okay. So the inductive research, if you could advance it - so Marriott International and Enterprise Holdings, they did this piece of research for us. So we all targeted and all took a piece. We identified, out of the six pieces of research that we looked at, we identified two that we thought were really great candidates for identifying drivers.

So we looked at the survey of international air travelers, and we looked at the CBP data. So the reasons kind of behind that is they were done over time, so it's more like a tracker, and you could compare year-to-year.

The survey samples were, you know, anywhere between 25 and 30,000. And the data sets were readily available from our partners at (Isabel) and (Dan Pansear).

So advance to Slide 9. One more, please. Okay. So that's it on this. I mean, I'm sure most of you all are familiar with the SIAT survey. It's done at international gateways as people are getting on departure flights.

They (unintelligible) the most recent data set for analysis, so taking into account that changes may have happened over time and improvements may have been made. So they took years 2012 to 2014 and kind of looked at passport control and customs baggage clearance.

And so in order to do driver analysis you have to have, you know - all different bodies of data have different questions. And you can only do a driver analysis on the questions that are presented. So the driver analysis for this piece of work was the overall trip experience to the U.S. met traveler expectations.

And so they looked at the passport control and the customs baggage clearance, questions that had anything to do with. So the approach was - they employed several different techniques. So regression models, factor analysis, decision trees.

And they utilized ordinal logistic regression for the analysis. And so that was the best approach, given the independent variable was ordinal. They controlled for several things that you'll see on the screen there.

They prioritized the view of results by both Visa Waiver and non-Visa Waiver countries because they did see some differences between those two bodies of data. And their model ended up explaining around 70% of the variance in this particular question, which was overall trip experience to meet - to the U.S. meeting our travel expectations.

They considered all the other variables that were included in the survey, though the impact on modeling was negligible. So advance the slide, please? Slide 11. Slide 11. Okay, so looking at these two circles, if you look at like the vertical line that's drawn down the middle what you see is that passport is on the left side, so the darker colors, and customs is on the right side.

So you see that both passport and customs overall have roughly equal contributions, almost 50/50. If you look at processing versus staff, you see that staff has a little more leverage on this particular analysis.

So staff ratings accounted for over 60%, especially prominent with the passport personnel. And many distinct factors that we know - or we all know this, that many distinct factors influence staff courtesy and processing time.

So these elements were actually looked at in the focus groups and the primary research. It's interesting that none of the metrics fell out of the analysis, and they continue to be important to measure and consider. Advance the slide, please, so Slide 12.

This just kind of gives you all the elements that were considered. And that very first one, primary focus of analysis to explain the four metrics, that was what we looked at as the independent variable. So that was the question that I mentioned on the prior page.

Advance the slide to the CBP portion. Okay. So the CBP traveler satisfaction was the other body of data that we looked at. It launched in 2006 at 20 international airports. And this particular body of research - could you advance the slide, please?

This particular body of research had specific goals that had specifically to do with the CBP officers and the international arrivals process. So it was to ensure CBP officers welcome international arrivals with respect and understanding, provide timely, helpful information to travelers, and create calm, pleasant customs waiting areas and streamline the customs process.

Advance the slide to slide 15. It was initiated in 2009 to evaluate progress against the Model Ports Program goals, which I'm sure you're all familiar with. The study was developed and conducted by a third party, MGS, in 2009 and then a different vendor, LMI, in 2012. And then the third installment of the survey is being administered actually as we speak.

The 2012 survey collected responses from, like I said, 25,000 people, adult travelers passing through Model Ports in July and August of 2012. And the approximate cost, just to give you a rough estimate, it was \$700,000 for each leg of that survey. Next slide, please, Slide 16.

On this slide you can see a summary of the particular questions. You've got traveler demographics. You've got the entry process, which is, you know, your approximate time that it took you to get through the process, entry perceptions, so your impression of the officers in terms of their professionalism, efficiency.

And then you've got the effect of the entry perception, kind of the overall effect on impression of the U.S. and effect on the decision to return to the U.S. based on your particular experience. So unquestionably - just like in the last piece of research, the primary driver is unquestionably wait times. All secondary drivers are contingent on wait time.

And then an inverse relationship exists between wait time and overall impression. So the longer the wait time, the lower the score. So clearly that was the number one driver. The shorter the wait time, the more likely respondents had a positive impression about the U.S. They felt the officials were welcoming, and they did not have strong opinions about the processing area.

So advance the slide to 18, please. Okay, as we said before, the longer the wait time the more important the ambience of the processing area became. And I know that the team looked at -- so this was Team Enterprise -- I know that they looked different breaks in wait times. And they said that while the cutoff for wait times appeared fluid, it's apparent that a processing time of less than 15 minutes leads to an increase in overall satisfaction.

So if you can get them through in that 15 minutes, that's a big win. In contrast, anything longer than 30 minutes, they reduce the value - or longer than an hour significantly reduced the value of secondary drivers. So once you get to 30 minutes, you're a little bit in trouble. Once you get beyond an hour, it's just not a nice, pleasant experience whatsoever.

Slide 19, this is just some additional information. There's a moderately positive correlation between feeling positive about an entry experience and having a desire to return to the trip - to make a return trip to the U.S.

So making sure that we remain in that consideration set. This relationship suggests that customer satisfaction with the entry process is an important factor in promoting future travel. And the magnitude of this relationship having only a moderately positive correlation suggests the entry process is one of many factors to influence future travel decisions.

Jen Avery: The next - it's - here we are, primary - so this is the work that we did here at Universal Orlando. Yes, what we actually covered - we took a hybrid approach, looking at both qualitative research and quantitative research.

The qualitative, we did this pretty much at the same time so we could certainly meet the deadlines. But the qualitative consisted of thorough focus

groups. We wanted to make sure that we covered folks on both the East Coast and the West Coast.

And then the online survey, actually the sample consisted of folks from Delta and American Airlines along with some from our own internal panel. You can see here from this sample size, we talked to more than 3000 folks. The limit was that it was only in English, but certainly a nice robust sample for the study.

Katie Ozdemir: And I'd just like to add that - so we only look at airline arrivals. So there was no research done on port arrivals. But we felt like that we got a pretty, pretty comprehensive look. Okay. We can move to slide 22. I'm going to take you briefly through the actual findings from this primary research.

So the nice thing about doing a primary quantitative study is we have the luxury of asking all sorts of questions and exploring any number of potential drivers, so a lot of - a variety of questions to look at.

And one of the first things we did is we gave respondents seven major tasks that could be construed as the important jobs of the CBP. And we asked them to rank those tasks in order of importance. And so what you are seeing here is those seven tasks ranked in order.

The numbers to the right are simply the percentage of respondents who put that task as the first, second, or third most important task among those seven. So you can clearly see that preventing injury of potentially harmful persons or goods was ranked first, second, or third by 78% of our respondents.

That's far and away the most important job responsibility as perceived by these travelers, followed very closely by preventing injury of harmful plant

and animal products. You can see that at the very bottom we have things like friendly attitude towards travelers and courteous welcoming of travelers.

And somewhere in the middle we have efficient processing, fair and equal treatment of travelers, and clear communication. What this tells us is that travelers clearly understand that the primary function of the CBP is one of security.

It's protecting borders and ensuring that the right people and things get through and that courtesy and friendliness, you know, as we'll see later, while very important, is not the primary function of this agency. If you proceed to Slide 23, you know, we kind of looked at this thinking about the kind of things that we're measuring currently, there's a lot of duality. There's a lot of kind of poles.

You know, we expect the agency to be vigilant against potential threats. At the same time we want them to be courteous and be friendly, but those two things are a little bit at odds. So we asked our respondents along these poles to kind of slide the slider to the amount of emphasis that should be placed on each of these opposing tasks.

And so what you can see and, you know, we're looking at means here, is that when it comes to the kind of the fight between the welcoming treatment of travelers and being vigilant of potential threats the vast majority of our responders are saying, yes, that is the primary goal, maintaining vigilance.

When we look at kind of the duality between processing travelers efficiently and processing entry tasks thoroughly, what respondents, travelers want to see is a nice even mix. You know, obviously efficiency as we've already seen in some of that driver analysis that was already conducted is really important.

You can't be so efficient that tasks are not completed with due diligence, so that a nice even mix is needed there. The kind of polarity between communicating policies and procedures thoroughly versus simply, simply wins out. You know, people want the information they need but they do not want to be overwhelmed by information.

And finally, we asked about, you know, the preference for one-on-one interaction with people versus technology. And we see clear permission here among our respondents, among these travelers, for all of the innovations that are being made with technology to make those procedures more efficient.

If we can proceed to Slide 25, and we go in here to one of our primary methods for doing the driver analysis. And we won't belabor this too much, but we use something, you know, pretty tried and true in market research, the Kano method, that looks at a number of attributes for a product or a service and asks consumers or respondents how they would feel if that attribute was present or not present.

And looking at that data along a specific scale, we're able to determine what kind of attribute each of those attributes are. Now the way this analysis works is that we identify that some attributes are must be attributes or cost of entry attributes. So what that means is, you know, consumers, travelers, expect those attributes to be there.

You're not necessarily going to drive satisfaction because they are just simply a matter of course. You know, an example of this would be for example, if you bought a carton of milk, you would expect that carton not to leak. And so non-leakiness would be a cost of entry driver. It's definitely expected but it's not exactly driving satisfaction simply because your milk carton doesn't leak.

One-dimensional qualities are things that are driving satisfaction when present and driving dissatisfaction when not present, so very important. Attractive qualities are those that drive satisfaction when present, but not necessarily dissatisfaction when not present. They're things that are kind of surprise and delight, things that people might not expect. And indifferent qualities are things people could care less about either way.

So if we take all of these attributes, proceeding to the next slide, we divided these up according to the data in terms of, you know, what kind of attributes they are. And what you can see from the big block of red there is that these are all the attributes that qualified as must be cost of entry. So that lets you know that given the things we put into the survey, a lot of these are just simply expected from officers in this domain.

Now in the dark red, these are the most expected. And we're calling those kind of basic rights. Things like personnel are professional and shows strict adherence to official policies. My baggage and valuables are handled with care. This tells us that clearly kind of a primary must be function is to respect travelers as global citizens, respect their persons and property in a basic manner.

That follows up with items like provide assistance when needed, clear and informative signage, communicating clearly. These are things in the domain of communication and assistance, obviously still very important cost of entry drivers.

And then finally, we move into kind of the third domain of must be. This is where efficiency lies. Clearly this lets us know that, you know, just as we saw

with that first piece of the analysis, that a certain degree of efficiency is cost of entry.

And if those minimum expectations of efficiency are not met, you're going to have dissatisfaction. And then also we see, you know, arrival of my bag being timely and total wait times are reasonable, a lot of efficiency metrics here.

Finally, we move into these attributes that are going to actually drive beyond minimal satisfaction. And that's where we see personnel friendly, welcoming, and even the waiting area as being welcoming and amenities being comfortable. So those are clearly things, while not necessarily really completely as expected as some of these things in red, are driving higher degrees of satisfaction when they are present.

Now we wanted to dig into a little further on Slide 27, moving - you can go ahead. And this looks obviously very intimidating. It's just a cluster analysis. We wanted to look into, you know, we thought being friendly, being helpful, being courteous, this is probably going to pop up somewhere in this analysis as important.

But to what degree do we need to emphasize this friendliness and this courtesy? What behaviors are truly expected? So we measured - we asked people to bucket certain behaviors, everything from, you know, CBP officer appears bored, speaks rudely, to, you know, smiles at you and says, "Welcome to the United States" into one of three buckets.

If you advance the slide a little bit, you'll see some analysis pop up. People had to place each of these behaviors into one of three boxes: either if that occurred I would be pleasantly surprised, I would just expect that behavior, or I would actually be displeased.

And the way we read this analysis, and if you advance one more, you'll see that at the very top we see a cluster of unacceptable behaviors. The vast majority of people saying I would be very displeased if this behavior occurred. And that's being rude, being bored. So obviously minimum standards of courtesy are absolutely expected here.

All along the other side of this tree are the things that are expected behaviors. Now starting at the top of that we see CBP officer is serious, informs you of a bag inspection now. These are things where most people expect them and some people are displeased.

But this lets us know that these behaviors, you know, are tolerated. They are to a large degree expected. Nobody likes it when they happen, but they're certainly tolerated and expected. Moving down, you see kind of security officer's appearing alert, answering questions when asked, making eye contact. These are all highly expected behaviors.

Then we can move down in sort of the unexpected range. And at the very bottom, you see the kinds of behaviors that we can clearly see a lot of respondents saying I would be pleasantly surprised if this happened: says have a nice day, thank you for your patience, smiles at you, welcome to the United States.

These are the kinds of behaviors that if exhibited with regularity could really help drive the perceptions of friendliness and courtesy up a notch. If you move up, we tested a few sort of silly behaviors just really kind of push the borders of friendliness just to see where these things would land.

But what would happen if the CBP officer was appearing to have a good time, or complimented your outfit, or offered recommendations for the city you're staying in?

You can see that while there's part of respondents who would say, yes, that would be nice - you know, lots of people really just encourage friendly behavior - there's enough respondents saying that behavior would actually displease me to let us know that these behaviors are largely positive but would be going too far. They would be too polarizing given the security nature of this domain.

Let's move on to Slide 29. We actually did, and go ahead and advance the slide a little bit if you would, we did another regression analysis. Keep going, a couple more, one more and one more. There we go.

So we did our own regression on some of these same drivers to kind of emulate some of this driver analysis and what we saw when we do, you know, basically predictive modeling is that again, when it comes to really predicting whether somebody's going to have a very high top box type satisfaction, so a five on a five point scale, we see wait times, processing entry efficiently, and then welcoming and friendly really enter that model.

So this lets us know that, that duality of getting things done efficiently and doing it with a certain degree of courteousness and friendliness, that really is kind of the secret recipe to getting those scores up higher.

And how is the United States doing, according to this sample that we're looking at? If you move one slide more, a couple slides actually, right here. I'm sorry. Go back to 30. We asked, you know, given your most recent travel experience, was your experience going through another port of entry through

another nation better, worse, about the same than the United States, just to kind of take the temperature of our respondents.

And as you can really see looking at both U.S. respondents as well as internationals, the vast majority are going to say that, you know, the experience going through our customs and border - our entry process is about the same, if not better than other nations. So that's something nice.

Moving on to 32. We asked, well, if you went through another nation's entry process and found that experience to be better than the United States, why was it better. And that's at the top, that kind of word cloud that you're looking at. Why was another nation providing a better experience? And kind of conversely, if you thought another nation was providing a worse experience, why was that happening?

As you can see from these word clouds, all they really do is re-emphasize how very important basic efficiency, courteousness and friendliness are, because whether or not we're being judged as better or worse, all of those types of behaviors just clearly keep rising. I mean, those are the things that people want to see accomplished in this arena.

Moving to Slide 33, and this kind of just sums it up. If you'll advance. We've got some animations and happy faces here, but you know, basically, you know, taking all of this analysis together, what we realize is the kind of foundation of a satisfactory guest experience through the entry process is going to be this perception that, that agency is doing its job.

And that job is prioritizing border security and moving travelers through that process with accuracy, with thoroughness, with fairness, and strict adherence to policies and procedures as efficiently as that will allow.

What we learned from the regression and the Kano analysis and all this put together is that if we want to move into kind of minimum satisfaction levels, so you say, let's say, like a three on a five-point scale, efficiency -- probably under that 30 minute mark, you know, given what our colleagues have said -- clear, simple communication and basic courteous, fair treatment of travelers, is going to be required.

If we want to move scores from that middle box into the top two boxes, the four and five on the five point scale, we have to go a little bit further. And the two major behaviors that need to be engaged in to make that happen are, one, to exceed traveler's expectations on efficiency. If you can get that experience down to 15 minutes or less, you're actually going to be getting credit for an enhanced experience.

And it will move those scores into those higher levels. And certainly engaging in just basic simple everyday pleasantries, the kind of courteous behaviors that, you know, all of our moms taught us to engage in, those things - have a nice day, welcome to the United States, thank you for your patience, are all that would be required to convey just universally and globally a friendly, courteous atmosphere.

And certainly other behaviors that are a little bit more involved, more elaborated, are not required and may even border on inappropriate given how important the security aspect of this process is.

So okay, drivers, this was the first deliverable. And what we found in each of the data sets that we looked, including the focus groups, is that regardless of the data set used, wait times, and efficient processing, and then staff professionalism or curtesy, are the top two drivers.

When we consider including a question that we did in the primary research, which is the overall international arrival experience, the over-arching goal, wait times, efficient processing, are our primary. And both are cost of entry as (Jen) showed you in the Kano method.

Okay, and then certainly this last slide - and we're ending here - just, you know, looking at some of our overall - the committee's overall recommendation. Certainly as researchers we always like to see a nice large sample size. So we certainly recommended some consideration of that and more regularity in the way surveys are conducted.

We had some discussions about using technology enhancements to improve the number of samples that could be gotten, you know, some funding considerations. But I think with all of this, it's probably best to move into the letter, right?

John Sprouls: Yes. And, yes, I would stop here. First of all, I am remorseful for not introducing the rest of Katie's team before we started. Those other voices that you heard were Jen Avery and (Noria Cologne) who work with Katie, all of whom have been involved in this project and all of whom I applaud on a regular basis.

Everything that you've seen in 30 minutes obviously took a lot longer than that. There's an enormous amount of work that went into this. But this was the basis for the letter that the overall board is considering today. So I know that we've gotten a few comments. Sam, I don't know how you want to proceed...

Sam Gilliland: Yes.

John Sprouls: ...in terms of deliberations.

Sam Gilliland: Well, why don't I - why don't we do this. Let me just make sure that we come back and cover off the goals that were set for the technical working group. And we'll use that as a filter as we review the letter. And then I think what we can do, John, I'll just walk through a page turn as well...

John Sprouls: Okay.

Sam Gilliland: ...of the most recent edits and we'll seek comments on each - any additional comments on each page. So just as a reminder, you'll recall that this effort and the associated recommendations are really in response to a request from Secretary Pritzker associated with the national goal to put together this technical working group.

And as you know it consisted of Marriott, of Enterprise, and Universal along with the various government agencies, specifically Commerce and DHS. And really the goal was to consider the international arrival process and make recommendations for - really in three areas. So specifically, what are the key drivers of a traveler's perception of the international arrivals experience, and the decision to travel to the United States?

Secondly, the development of revised surveys to measure to progress against the national goal, which is to be best-in-class, and a methodology for continued assessments. So I think what you've heard here - and I just think, you know, I'm kind of blown away by the work that's been done over this very short period of time.

And I think the team has done a terrific job of distilling really an exhaustive and comprehensive examination and analysis of data into the concise set of

recommendations. So I, you know, again, I'm just hugely impressed with what the group has done.

But again these are the - those are kind of the three things that we need to keep in mind as we review the letter and make sure that we've met the goals that have been set forth by the Secretary regarding the national goal.

So with that, what I'd like to do is jump into the letter itself. And we did receive a number of edits from several of you. And I want to walk through - I'd like to walk through page-by-page. And where elaboration is necessary, certainly we can lean on the team to help us where there's elaboration or questions.

So I guess I wanted to start with the - start with the first page and ask if there are any additional questions or comments around the first page. And again, I would - I'd be looking at the copy of the letter that was sent this morning by Niara, which reflected some red line comments that various folks had been made. That's the one I'm going off of and so I'd ask that you do the same thing.

So any other comments on the first page of that letter? I think it's pretty straight forward. So then as we go on to the next page, you'll see under objective two, an additional comment around the primary research and, you know, an edit at a red line there, a paragraph red line there. Any comments or questions or concerns about that addition to the letter? Okay.

Well then I would direct your attention to the latter part of that second page which had a number of edits and some things that were moved around. But I think in large part again while elaborating a bit on what had been provided before and providing some clarification, I think in large part the spirit of what

had been originally submitted is also reflected in those edits and comments.
But any comments, questions, concerns about that part of the letter?

John Sprouls: Yes. Sam, its John. Just from our point of view, whoever cleaned it up did a nice job and made it more succinct than the way we had it. But all the points that we had talked about from the working group point of view are all incorporated in the Objective 3 section. So we are pretty comfortable with the edits.

Sam Gilliland: Okay. Excellent. Excellent. And then I think some minor edits on the final page and then you'll see...

David Berg: Hey, Sam?

Sam Gilliland: Yes. Go ahead.

David Berg: Sam? This is David Berg. On this page, the first full paragraph that starts out objective number two, I was a little surprised by the last sentence that says wait time encompasses walk time. And then it references research. To me that just didn't seem intuitive. And I wondered what's the research that's the source of that? And do we need that sentence?

John Sprouls: Yes. That was - you know, the research in terms of the focus groups and other things that we did, Dave, when we talked to people about wait time, they don't differentiate just time spent in primary from the entire process it took from them getting off the plane until they got on to wherever they were going.

So the research does show that people's perception of wait time is not in the same buckets that we've talked about it in our subcommittee and at the board.

So we wanted to make sure that people understand wait time is not just time in primary, at least as far as the customers are concerned.

David Berg: Okay, thanks.

Sam Gilliland: Okay. Any other questions on that second page?

Rossi Ralenkotter: This is Rossi.

Holly Agra: This is Holly Agra.

Sam Gilliland: Go ahead, Holly. And then we'll go to you, Rossi.

Holly Agra: I have one question as it pertains to the survey. And I'm sorry if I've missed it somewhere. Are there any plans to translate the questions into multiple languages?

John Sprouls: Holly, I think I would leave that to the CBP and commerce, because what we're talking about is adding to their survey. We didn't, in the short time period we had - the working group had, excuse me, we weren't able to get our surveys translated into other languages and administer them.

But that was only for purposes of this work. In terms of CBP and SIAT, I would leave it to commerce and CBP to say, you know, how many languages we use, et cetera.

Katie Osterman: I'd just like to add - this is Katie - that the CBP Survey is already conducted in nine languages, and the SIAT Survey is already conducted in 12 languages.

John Sprouls: Yes, Holly. So it happens, it's just we couldn't do it in this research project. There just wasn't enough time.

Holly Agra: Oh, no problem. Sorry about that.

Sam Gilliland: Okay, thanks, Holly. And Rossi, you had a comment?

Rossi Ralenkotter: Yes, just my continual 20-year comment on the SIAT Survey and the fact that the sample size is still - aren't where it needs to be. I think this is great that we're calling it out from the standpoint of here we are doing another - utilizing it for another purpose.

And we're basing it on the SIAT Survey. As you know, you know, we've asked for more money, but that's been eliminated again. And so the more that we can stress the need to expand the sample size (unintelligible) critical as we go forward.

John Sprouls: Yes, totally, totally agree, Rossi. And we emphasized that point with the Secretary when we were with her in Orlando here a couple weeks ago as well, and added some language into the broader set of priorities letter - the broader priorities letter, that specifically commented on the SIAT and its importance.

If we're thinking about, you know, this broad theme of customer experience, which is with the broad theme of the priorities letter, it's really hard to understand customer experience without doing a survey. And so we emphasized SIAT with her at the meeting and also in the letter, and, of course, in the recommendations (Dean) and his team have done. So I totally agree with you.

Rossi Ralenkotter: Yes, great. This is great. Thank you.

Jonathan Zuk: Sam, this is Jonathan. I just want to sort of emphasize that point for one second, because we seem to be, in the last four years, every year arguing about the financing for the SIAT, not only to expand the sample size, but also to even have it. If I remember correctly it was one or two years ago they took it out entirely out of the budget.

So is there a way maybe to sort of, I don't know, maybe put a more bigger emphasis on making it a staple part of the budget and not that we have to argue about it every year?

Sam Gilliland: I would lean on Commerce for their comments on this.

(Kelly): Right, and...

Sam Gilliland: I think that, that is certainly their desire, but...

((Crosstalk))

(Kelly): ...this is (Kelly), Sam. I don't know if you can hear me, but...

Sam Gilliland: Yes.

(Kelly): ...obviously the charge to the working group did not ask them to deal with funding issues. But I do think you said it well when you said that you've directed it to the Secretary. She's heard it. And obviously we get our funding from Congress, so I think everybody knows the bind that we're in.

So I think for the purposes of the recommendation that we're asking for, as it relates to the measures and the metrics and the methodology, I think its fine

to, you know, again make the pitch for funding, because obviously this document will be public and used in lots of different ways. But we're at the will of the budget we get.

Sam Gilliland: Yes, which of course, we've called out in whatever that is. Sub-sentence II under B, Objective 3-B-II, we've focused on the funding aspect. So, Jonathan, beyond - I mean, it is as you point out, it's been an issue and a challenge. And we just have to keep pressing.

And I think we, as individuals, not as representatives of TTAB, but we as individuals can continue to press on our representatives who legislate the budget to ensure that we have this covered. But it's, you know, it's a challenging situation, I think, each and every year and certainly not for lack of emphasis and intent of the folks at Commerce.

Jonathan Zuk: Oh, no, I don't think it's Commerce at all. I'm just saying that we seem to be having this conversation over and over and over again in the last five years, every year. And if there's a way to sort of, I don't know, make it part of the foundation it would be much easier for all of us, because everybody agrees that we absolutely need this 100%.

Sam Gilliland: I think we're all in violent agreement with you, Jonathan.

Jonathan Zuk: Okay, thank you.

Sam Gilliland: Okay. Let's see. Any other comments on the letter before I move to the attachments with the CBP Survey recommendations? Okay, so let's just move to there. There was one comment around the middle sections there to - you know, so this question's around to what degree do you agree or disagree with the following.

And there was a position there at the end about having knowledge of the airport in which the CBP Officer's stationed. The example is how do you get to the next gate or terminal restroom, that type of thing.

My view on that one is that actually that type of - that comment is already covered as you go down to the third bullet of the next section, which talks about officials being helpful in guiding travelers through the processing area.

I am also sensitive to the comments from the research around, you know, they're looking for the CBP officials first and foremost to be focused on security. Certainly want them to be friendly, but they also don't them - it kind of crosses a line to have them making restaurant recommendations in town.

So I think we need to be careful about leaning on the CBP officers to be having - you know, be providing too much information. I think they can direct people to the signs. And I think signage, as it was emphasized there in that second section on this page, signage is really, really important.

And I think my view is that this addition is already covered in that third bullet of the second section. But also that we need to be careful about asking CBP officers to be commenting too much beyond their specific roles, because it can give travelers, you know, maybe the wrong perception or they can view it as maybe inappropriate in terms of what their roles are. So that's my view. I wanted to offer that up.

John Sprouls: Sam?

Sam Gilliland: Yes?

John Sprouls: Sam, this is John. I would agree with you. I would also say the recommendations that are here on this page arose out of the research as being...

Sam Gilliland: Right.

John Sprouls: ...the drivers that we wanted to make sure we measured. This may be - this may be helpful in terms of driving the overall process, but it didn't come out of the research. And I wanted to try to keep the survey recommendations to be things that were supported by the research that was conducted.

Sam Gilliland: Fair point. Okay. So I guess my recommendation on this is to leave this specific bullet out, because I think in some respects, it is already a part of - and in other respects, as John pointed out, we want to make sure that we get at the - very, very specifically at the key drivers here as opposed to other things that may be peripheral.

So any other comments on the survey recommendations? I would just comment, myself, that again I'm really thrilled at the level of analysis that was done and how exhaustive it was. And yet we - you know, John, you pointed this out just now.

And yet we arrived at a set of survey recommendations that are really concise and I think, based on the data, are really getting at the core issues for international travelers and how we welcome them.

Other comments on the letter or on the survey?

(Kelly): Sam, this is (Kelly). I have just one. On, I think, the second-to-the-last page there was an amendment that said that a CBP staff liaison would be assigned

to monitor the implementation of the surveys. And I think that SIAT is administered by Commerce, so it should be a DOC CBP liaison, if we want to be consistent with what the task force does and what each agency does.

John Sprouls: That makes sense.

Sam Gilliland: Yes, that does make sense. Okay. All right, so let's make that change as well. What else? Any other comments on the recommendations? Okay. Well then again, I want to express appreciation to the technical working group and all the great work that's been done really in a very, very short timeline.

So thank you again for all that great work. I know it's countless hours developing a survey tool, conducting focus groups, and analyzing the SIAT and CBP survey tools, just a lot of terrific work that's been done. So we really do appreciate it.

We do need to just for purposes of our record, I want to make sure that we actually conduct the vote and see that there is consensus on this. So I'd like to raise the letter to all of you for a vote to approve the letter with a few of the modifications that we've talked about here on the call today.

So I'd like to put this to a vote for approval and ask that all of those that are in favor of approving these recommendations to be set forward to the Secretary vote by saying - vote yes by saying aye.

Group: Aye.

Sam Gilliland: Are there any that are opposed? And if so, please express that. Any opposed to the letter? Okay. Not hearing any opposition then, it appears as though we

have a consensus from - consensus approval from the Travel and Tourism Advisory Board. And I really do appreciate that.

We do have a few other things to do on this call before I let you go. I wanted to offer up the opportunity for anybody who is participating in the call that isn't on the board or a government partner to offer up any public comments.

So if there's anybody on the call that would like to voice a comment or a question or a concern, please do so. If you could state your name and who you're representing and your comment, that would be terrific.

Okay. Not hearing any, then I just wanted to talk about a few things that are on our list to get accomplished here between now and the next meeting. We certainly need to get the next meeting on the schedule. And we are working right now and getting some dates put together. So you'll be hearing from us relatively shortly.

And we want to make sure that in particular that those dates are accommodating of those that will be presenting their recommendations at that meeting. In particular, as you know from the last meeting, we have two letters from the Cultural and Natural Heritage Subcommittee, and one from the Brand USA Subcommittee that we'd like to deliberate on at the next meeting.

A couple of points about that, we - the intent is that, in each of those three cases, that we'd like to have one or several board calls before the next in-person meeting to actually do the bulk of the deliberation on those letters and make sure that they're in very good shape. Because we'd like to be in a place when we get to the next in-person meeting that while there may be some minor edits and tweaks as we go through those recommendations and consider

them for approval and recommendation at that board meeting, we'd really in large part like to be through the deliberation process.

So you should expect we're going to coordinate with the Chairs of Cultural and Natural Heritage and Brand USA so that what work they need to get done they can get done obviously and be in a position that we can circulate new drafts of their recommendations and then have a call again in advance of the next in-person meeting so that we can be in a position at that next in-person meeting, which will be the last meeting of our term, that we're in a position to approve and recommend those letters.

So that's just a little bit of work that we have ahead of us. And I ask for your flexibility as we participate on those board calls. The second thing I'd mention, we talked about Open Skies and the debate that's going on right now around Open Skies at our meeting in Orlando.

And we agreed at that point in time that it made sense to have a working group there that would gather information and become educated on the issues around Open Skies. We have talked about, Kathleen and I and the Department of Commerce have talked a bit about that. I'm going to reach out to a few folks, one or several folks, to help lead that effort here very shortly.

But broadly speaking I think the charter will be informational in nature. And after we've received that information we'll make a determination as to whether the TTAB as a board will want to comment specifically on that information.

But we really want to get educated on the issue and so we'll be bringing in - we'll be bringing in representatives from both sides to listen to their views on what's going on with Open Skies, both sides of that debate. And we'll also

bring in representation from the government to just educate us on the actual policy, the regulations, and the history around Open Skies.

So we'll be doing that as well. We'll be forming a working group here relatively soon. I would just ask that if you want to participate in that - we had a few folks that raised their hands - please let Niara know.

So any questions on some of those next steps before I ask Niara if there are any other logistical things we need to talk about? Any questions on that? Okay, Niara, what have I missed here?

Niara Phillips: Yes, so thank you, Sam. I just wanted to make sure that you were all aware that we are transitioning on our side, Commerce, from me to our new Deputy Director of this office, who will be your point of contact for the Travel and Tourism Board. So I'll turn it over to (Shannon) to introduce her.

(Shannon): Thank you, Niara. And I just wanted to first of all thank you for all the hard work that you've done and all the effort that you've put into the TTAB to-date. And I think we talked about it at the last meeting, but I hope everybody knows that Niara is headed to Columbia Business School is and is really excited about it. So I wanted to just congratulate and thank you.

And I also wanted to very warmly welcome Archana Sahgal, who is going to be our new Deputy - who is our new Deputy Director. I'll let Archana say a couple words about her background if that's okay, but wanted to just tell everybody that we're so thrilled to have her joining us and I think that you are really going to enjoy working with her. I have already in the three whole days that she's been here. So, Archana, do you want to say hello?

Archana Sahgal: Hello, everyone. This is Archana. I'm really looking forward to working with you all. Its day three here at the Department of Commerce. And, yes, if there's anything, I know that (Shannon) will be able to send out my contact information if you need to reach out to me if you have any questions. I know that Niara's here another week. So looking forward to working together.

Sam Gilliland: All right. Well, excellent. And from the TTAB, certainly we welcome you as well, Archana. We're really excited to be working with you here as we finish out this term. And again, our huge appreciation to Niara for her help, leadership, support, and assistance. And certainly, all of our best wishes to you as you head to New York and Columbia Business School.

The other thing that would just acknowledge and we know have a good idea of what Kathleen's going to be up to. It was a big secret at the Orlando meeting, but we knew she was going to be departing. This will be, I think, unless we get another call set up between now and the end of the month, which I doubt will occur, this will be her last board meeting.

And again, I wanted to express our appreciation on behalf of the entire board for her leadership and her many contributions. We will miss you. And again, we wish you the very best as you - in your next endeavor.

Kathleen Matthews: Thank you so much, Sam. It's been such a pleasure serving with you. You are not only a great leader -- and today's call is such a good example of that -- but also just a delightful person to be working with, as has everybody on the TTAB and all the staff at Commerce and the other government agencies that I've had a chance to get to know in this process.

And really think about everybody not only as colleagues and advocates for travel and tourism, but as really good friends as a result of the two terms that

I've been able to serve on this. So I thank everybody, and I feel like, you know, you're wrapping up just a really productive term.

And when we finalize those other letters on Brand USA and, you know, Cultural and Natural Heritage, I just think that we will have really accomplished a lot. So I salute all of you and thank you for this process. And just watch, I hope I'm able to be your advocate in Congress one day.

Man: Of course we do, too.

Woman: We hope so, too.

Sam Gilliland: Okay. With that, unless there's anything else, Niara, (Shannon), (Kelly), anything else that we need to cover off?

(Kelly): Super good.

Niara Phillips: Great call.

Sam Gilliland: All right. Thanks, everybody. I really appreciate it.

Kathleen Matthews: Thank you. Bye-bye.

Man: Thank you. Good-bye.

Man: Okay. Bye-bye.

Man: Thanks, Sam.

NWX-DEPT OF COMM-ITA (US)

Moderator: Niara Phillips

06-17-15/10:00 am CT

Confirmation # 4179113

Page 40

END